

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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# MULTIMEDIA UNIVERSITY

## FINAL EXAMINATION

TRIMESTER 2, 2019/2020

**BAC1034 – PRINCIPLES OF FINANCIAL ACCOUNTING**

(All Sections/ Groups)

4 MARCH 2020  
2:30 P.M – 4:30 P.M  
(2 Hours)

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### INSTRUCTIONS TO STUDENT

- (a) This question paper consists of 5 pages excluding cover page with 4 questions.
- (b) Answer **ALL** questions.
- (c) Write your answers in the answer booklet provided.

## **QUESTION 1**

Maafushi Berhad prepares yearly financial statements. Below is the Adjusted Trial Balance as at 31 December 2019.

<b>Maafushi Berhad</b> <b>Adjusted Trial Balance as at 31 December 2019</b>		
<b>Account Title</b>	<b>Debit (RM)</b>	<b>Credit (RM)</b>
Cash	1,214,800	
Accounts Receivable	525,800	
Office Supplies	136,000	
Prepaid Insurance	96,000	
Sport Equipment	400,000	
Accumulated Depreciation – Sport Equipment		40,000
Speed Boat	1,000,000	
Accumulated Depreciation – Speed Boat		70,000
Accounts Payable		556,000
Notes Payable		480,000
Short-term Loan		179,200
Dividends Payable		150,000
Unearned Sport Revenues		344,800
Ordinary Share Capital		1,320,600
Retained Earnings (1 January)		320,000
Sport Revenues		490,000
Salaries Expense	127,000	
Advertising Expense	73,400	
Internet Wi-Fi Expense	73,600	
Dividends	150,000	
Bad Debts	30,000	
Interest Expense	24,000	
Miscellaneous Expense	100,000	
<b>Total</b>	<b>3,950,600</b>	<b>3,950,600</b>

Analysis has been done towards the account balances prepared by the company's accountant. Listed below are the additional transactions to be adjusted at the end of the year:

1. Internet Wi-Fi expenses are charged RM7,360 per month by cash. The amount stated above does not include charges for October, November & December 2019.
2. Unearned sport revenues that remains unearned at the end of the year is RM44,800.
3. Office supplies revealed that RM80,000 has been used as at 31 December 2019.
4. Prepaid insurance for eight years was purchased on and effectively used from 1 January 2019.

**Continued...**

5. Advertising expenses amounted RM22,000 is accrued of which yet to be recorded at the end of the year.
6. Depreciation for the year to be computed as follows:
  - a. Sport Equipment is 10% using straight line method.
  - b. Speed Boat is 7% using reducing balance method.

**Required:**

(a) Prepare the Statement of Profit or Loss for the year ended 31 December 2019. (7 marks)

(b) Prepare the Statement of Retained Earnings for the year ended 31 December 2019. (3 marks)

(c) Prepare the Statement of Financial Position as at 31 December 2019. (15 marks)

Show all your workings.

**[TOTAL 25 MARKS]**

## **QUESTION 2**

### **Part A**

Listed below are selected list of accounts for Hulhumale Berhad as at 30 September 2019.

<b>Accounts</b>	<b>Account Balances (After Adjustment)</b>
Cash	RM12,000
Beach Supplies	8,000
Water Sport Equipment	100,000
Accumulated Depreciation – Water Sport Equipment	24,000
Accounts Payable	10,000
Ordinary Share Capital	40,000
Dividends	24,000
Island Hopping Revenues	120,000
Snorkeling Revenues	74,000
Scuba Diving Revenues	38,000
Advertising Expense	24,000
Beach Supplies Expense	38,000
Depreciation Expense – Water Sport Equipment	8,000
Jet Ski Rental Expense	32,000
Water Boarding Rental Expense	24,000
Lifeguard Expense	26,000

**Required:**

List the temporary accounts to be closed at the end of the year.

(10 marks)

**Continued...**

**Part B**

Huraa Berhad completed the following merchandising transactions using a perpetual inventory system.

March 4	Huraa Berhad uses as a purchase invoice the sales invoice prepared by Mirihi Enterprise of RM7,600 with credit terms 10/12, n/30.
6	Upon delivery of the goods, Huraa Berhad pays RM300 for freight charges by cash.
8	Huraa Berhad returned goods costing RM600 to Mirihi Enterprise.
10	Sold goods on account to Barus Co. at RM10,000, term 1/10, n/30. The cost of the goods sold was RM4,200.
14	Huraa Berhad pays the balance due to Mirihi Enterprise.

**Required:**

Prepare the journal entry to record the transactions above.

(15 marks)

**[TOTAL 25 MARKS]****QUESTION 3****Part A**

Vaadhoo Berhad uses perpetual inventory system and FIFO method. The following information is available for the month of April 2019:

1	Beginning inventory	40 units @ RM5
10	Purchase	40 units @ RM8
15	Sales	30 units
18	Purchase	20 units @ RM9
21	Sales	30 units

**Required:**

Prepare a schedule to show cost of goods sold and the value of the ending inventory for the month of April 2019.

(15 marks)

**Continued...**

**Part B**

Listed below are items for bank reconciliation for Ukulhas Berhad for the month of May 2019:

1. Deposit in transit, RM3,200.
2. The bank deducted RM200 for a cheque written by another company.
3. Outstanding cheques of RM2,680.
4. EFT receipt of rent revenue, RM1,800.
5. Bank collection of note receivable, RM4,200.
6. Interest revenue earned on bank balance, RM60.
7. Recorded cheque no. 777 for RM2,100. The amount actually paid to Gulhi Co. on account was RM1,200.
8. Bank service charge, RM40.
9. NSF cheque from Isdhoo Ent., RM100.
10. EFT payment of insurance expense, RM800.

**Required:**

By using the items in the box below, identify where the amount would be located or otherwise treated in the bank reconciliation process.

Code	Treatment
A	Add to the cash balance per books
B	Deduct from the cash balance per books
C	Add to the cash balance per bank
D	Deduct from the cash balance per bank

(10 marks)

**[TOTAL 25 MARKS]****QUESTION 4****Part A**

Fehendhoo Berhad reported net income of RM145,000 for year 2019. Included in the statement of profit or loss during the year were depreciation expense of RM9,000 and a loss on disposal of plant assets of RM3,000. The company's comparative statements of financial position show the following balances.

Accounts	31 Dec 2019 (RM)	31 Dec 2018 (RM)
Accounts receivable	20,000	30,000
Inventories	15,000	10,000
Prepaid expenses	5,000	1,000
Accounts payable	28,000	12,000
Income taxes payable	6,000	8,000

**Continued...**

**Required:**

Prepare the partial Statement of Cash Flows for operating activities only by using the indirect method.

(10 marks)

**Part B**

The comparative Statements of Financial Position for Keyodhoo Berhad are presented below:

<b>Keyodhoo Berhad</b> <b>Comparative Statements of Financial Position as at 31 December</b>		
	<b>2019</b> <b>(RM)</b>	<b>2018</b> <b>(RM)</b>
<b>Assets</b>		
Accounts Receivable	240,000	246,000
Water Sport Equipment	300,000	286,500
Speed Boats	187,500	210,000
<b>Total Assets</b>	<b>727,500</b>	<b>742,500</b>
<b>Liabilities</b>		
Accounts Payable	195,750	206,550
<b>Stockholders' Equity</b>		
Ordinary Share Capital	171,750	165,450
Retained Earnings	360,000	370,500
<b>Total Liabilities and Stockholders' Equity</b>	<b>727,500</b>	<b>742,500</b>

**Required:**

(a) Prepare a horizontal analysis by using year 2018 as a base.

(10 marks)

(b) Prepare a vertical analysis for the year 2019.

(5 marks)

**[TOTAL 25 MARKS]****End of page.**